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ABSTRACT

Prepared by California's Los Rios Community College District, this environmental scan summarizes social, economic, and political changes at the national, state, and district levels, focusing on trends in the district's three colleges: American River College, Cosumnes River College, and Sacramento City College. The first section reviews demographic trends, including population changes through 1996 in the Greater Sacramento area, projected changes through 2006, changes in ethnic composition, immigration trends, statewide and Sacramento-area poverty rates, and single-parent households. The next sections analyze the area's economic and employment outlook, reporting data on civilian employment by industry for 1983 and 1997 and projecting employment changes through 2005, and review changing workforce skill requirements in the state and area. The following section presents a market analysis of other educational providers in the area, including data on enrollment, costs at local institutions, strengths and weaknesses of other institutions compared with district colleges, and challenges and opportunities in the future. Next, the report discusses public perceptions of higher education in California, national and state budgets and legislation, and calls for accountability. Changes in district enrollment patterns are then reviewed, including student age and ethnicity. Enrollment projections through 2006 and data tables are provided. (BCY)

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An Environmental Scan of the Greater Sacramento Area and of Area Students Served by Los Rios Community College District

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Los Rios Community College District
Office of Institutional Research

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
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Los Rios Community College District
Office of Institutional Research

An Environmental Scan of the Greater Sacramento Area and of Area Students Served by Los Rios Community College District

A Report Prepared as Part of the 1997 LRCCD Strategic Plan

Final Version

July 1997

The following report provides a comprehensive but concise overview of the external and internal environments that impact Los Rios Community College District (LRCCD). The purpose of this report is to summarize the social, economic and political changes at the state and national levels, generally, and in the Sacramento-Yolo Consolidated Metropolitan Statistical Area (CMSA) served by LRCCD, more specifically, that are shaping the future for the District. This report also reviews the changing demography of students enrolled in the three Los Rios colleges – American River College, Cosumnes River College and Sacramento City College – as well as projecting total enrollment to the year 2006. This environmental scan provides the District with important information about the changing forces effecting it now and as it moves into the 21st century. By monitoring these changes the District will be in a better position to plan a direction that will best serve its students and the community.

Some data used for the analysis are available at the Sacramento-Yolo CMSA level. Served by the three Los Rios colleges, the CMSA includes El Dorado, Placer, Sacramento and Yolo counties and will often be referred to as Greater Sacramento. Other data are available at the primary Sacramento Metropolitan Statistical Area (MSA) level and will be referred to as Sacramento MSA. This area includes El Dorado, Placer and Sacramento counties, only.

This report has been revised throughout the 1997 Strategic Planning Process when the need for new information pertinent to the plan arose.

Our Changing Demography

Total Population Changes through 1996

With a population of 1.6 million, Greater Sacramento is among the fastest growing metropolitan areas not only in California but in the entire U.S., posting a 46% increase in population between 1980 and 1996, well above the state's 33% and the nation's 17% increases.

Since the 1990 Census, Greater Sacramento has grown by 11% vs. the state's 7% and the nation's 6%. Placer and El Dorado counties led that overall growth with 23% and 21%, respectively.

From 1995 to 1996, Sacramento and Placer counties accounted for 76% of the population increase in the Greater Sacramento Area. The city in the geographic area served by LRCCD posting the greatest growth in this one-year period is Folsom, where population grew by 4.1%.

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Between the 1990 census and 1996, several large and small communities located in the Sacramento-Yolo CMSA that are served by the three Los Rios colleges have experienced dramatic growth in their population. Listed in order of largest to smallest population in 1996, these areas include: South Sacramento (10.8% growth to 145,962); Davis (12.1% growth to 60,522); Folsom (40% growth to 41,450); Franklin-Laguna (117% growth to 31,462); Elk Grove (24.6% growth to 28,072); Antelope (125.5% growth, to 27,559); Cameron Park - Shingle Springs (18.6% growth to 24,476); Galt (65.8% growth to 17,110); Granite Bay (30.7% growth to 16,735); and El Dorado Hills (47.4% growth to 15,579).

There are three communities in the Sacramento-Yolo CMSA served primarily by other community college districts, whose residents attend Los Rios colleges, due to their geographic proximity. Posting strong population growth, as well as those mentioned above, these communities include: Roseville (33.4% to 62,131), Woodland (8.2% to 46,059) and Rocklin (46.2% to 27,057).

Total Population Changes to the Year 2006

Total population in Greater Sacramento is projected to grow by 29% between 1996 and 2006, compared to the state's projected growth of 24%. Of those communities that saw high rates of population growth between 1990 and 1996, several are projected to see this growth continue.

Communities expected to grow substantially over the next ten years include: South Sacramento (13.8% growth); Folsom (49.2%); Franklin-Laguna will more than double (184.7%); Antelope (40.5%); Elk Grove (49.1%); Cameron Park - Shingle Springs (39.7%); Granite Bay (34.2%); El Dorado Hills will more than double (136% growth); and Galt (43.5%). The population of Davis, a city with a limited growth policy, is expected to grow by only 5% between 1996 and 2006.

Two communities that saw very little growth from 1990 through 1996, but are expected to grow dramatically between 1996 and 2006 are South Natomas and North Natomas. According to population projections generated by the Sacramento Area Council of Governments, South Natomas is expected to grow by 33% (to 49,084), while North Natomas is expected to grow 30-fold; the 3,055% increase in the population of North Natomas will take the 1996 population of 655 to 20,664 by the year 2006.

Population of the cities of Roseville and Rocklin, served primarily by Sierra College District are expected to grow substantially – by 41% and 72%, respectively. Served primarily by a Yuba Community College District outreach center, the city of Woodland is expected to grow by 17.4% by the year 2006.

All of these growing communities of Greater Sacramento are areas from which Los Rios colleges should expect to experience enrollment growth. If Folsom Center expands to become a college it will be in a good position to absorb new students from the growing communities of Folsom, El Dorado Hills, Cameron Park - Shingle Springs and Granite Bay. American River College is likely to see strong enrollment growth from the Natomas areas of Sacramento and more moderate enrollment growth from Antelope. Sacramento City College is likely to see enrollment growth from West Sacramento and South Sacramento. And Cosumnes River College is likely to see continued enrollment growth from Franklin-Laguna, Elk Grove and Galt.

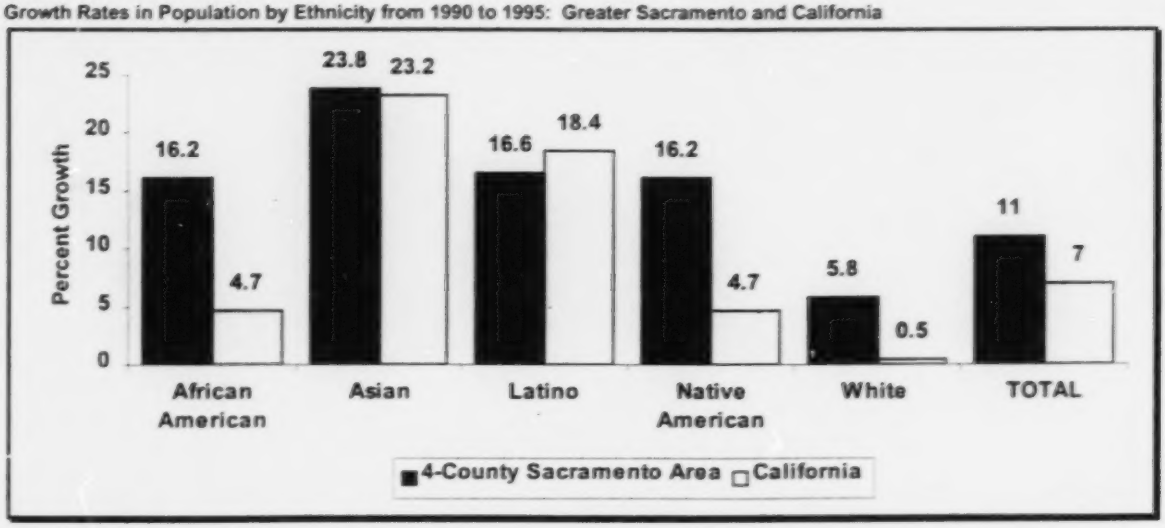
Changes in the Ethnic Composition

The ethnic composition of California's population is changing dramatically. According to Cal Facts 1996 (a publication of the California Legislative Analyst's Office), it is projected that between 1990 and 2010, the state's Latino population will have doubled, while the Asian population will grow by two-thirds. By the year 2010 more than half of California's total population will be Latino, Asian or African American, as will be two thirds of school-age children versus 42% of the population in 1990, while those who are over age 50 will remain predominantly white. College-age students will continue to be far more ethnically diverse than in the past, posing new planning challenges for institutions of higher education.

Just like the state of California, the ethnic composition of Greater Sacramento is evolving, although the proportion comprised by ethnic minorities is smaller than is the case statewide. In 1990 whites made up 73% of the four-county Sacramento-Yolo CMSA, dropping to 71% by 1995; California's 57% white population as a proportion of the statewide total in 1990 dropped to 54% by 1995.

However, the rate of growth in specific ethnic groups from 1990 to 1995 is similar in Greater Sacramento and the state, as pointed out in Chart 1. The exception is in the higher rates of growth in the African American and the Native American populations in Greater Sacramento, although Native Americans are a rather small proportion of the overall population. In 1995, 7% of the Greater Sacramento population was African American, 8.4% was Asian, 12.4% was Latino, 1% was Native American and 71.2% was white.

Chart 1
Growth Rates in Population by Ethnicity from 1990 to 1995: Greater Sacramento and California



This trend toward a more ethnically diverse population is projected to continue over the next ten years and beyond. Analysis of projected population data generated by the Department of Finance shows that Sacramento County's 69.5% proportion of the 1990 population that is white will drop to 63.8% of total population by 2000, and to 59.2% by 2010. Only half of Sacramento County's population will be white by 2030, dropping to 46.6% of the population by 2040. As the largest county in Greater Sacramento, Sacramento County is currently the home of 69% of the area's total population.

Legal Immigrants to Greater Sacramento

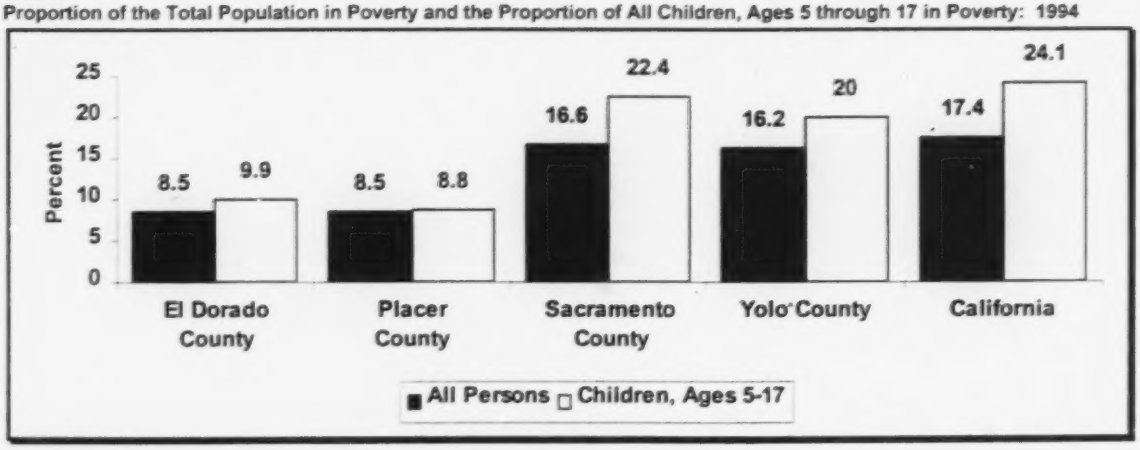
From 1990 through 1995, Greater Sacramento became the home of 39,882 legal immigrants to the U.S, which is 3.2% of the total legal immigrant population that settled in California. Of the 39,882, 84.0% moved to Sacramento County. Sacramento County ranks 7th among all California counties for the number of legal immigrants from 1990 through 1995.

Continent of birth of this legal immigrant population is available at the state level for 1995. Of the total legal immigrants to California that year, 53% were from Asia, 28% were from North America, 12% were from Europe and the remaining 7% were from Africa, South America and Oceania. Mexico was the leading country of birth in California with 20% of the total statewide. Other major sending countries include: the Philippines, with 13.7%; Vietnam, with 10.1%; China with 6.2%; and India with 4.0%. There were 19.7% fewer legal immigrants that moved to California in 1995 than was the case in 1994. The largest number of legal immigrants who moved to California during this six-year period of study, did so in 1993. There were 33.1% fewer legal immigrants who moved to California in 1995 than the peak number in 1993.

Greater Sacramento's Population in Poverty

Analysis of Bureau of the Census estimates of the number of people in poverty in 1994 shows that 14.7% of the CMSA population is in poverty, slightly less than California's 17.1%. An estimated 234,004 people were in poverty in 1994 and 24.5% of this number were children, ages 5 through 17. Four percent of California's total poor as well as their youth who are in poverty reside in Greater Sacramento. Chart 2 shows the proportion of all people who are poor and proportion of all children who are poor. There are more children than adults living in poverty, particularly in Sacramento and Yolo counties.

Chart 2
Proportion of the Total Population in Poverty and the Proportion of All Children, Ages 5 through 17 in Poverty: 1994

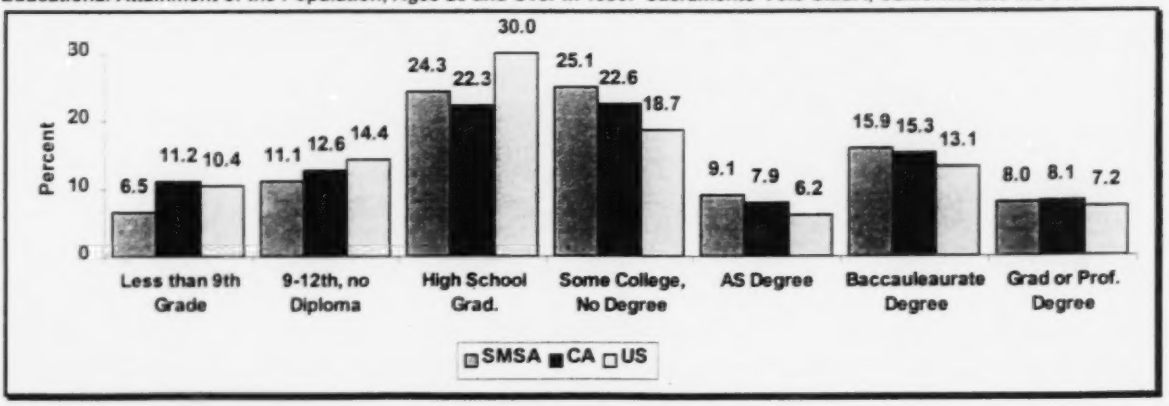


Single Parent Family Households in the Sacramento MSA

Only 1990 Census data are available for analysis of the proportion of family households in the Sacramento MSA that are single parent households. Although these data are old, they provide a rough estimate of this information. Of the family households in the Sacramento MSA with children under the age of 18 in 1990, 26.9% were single parent households. The proportion of single parent family households with children under the age of 18 in the Sacramento MSA is higher than both the state's and nation's proportions of 23.9% and 22.8%, respectively. Of the total single parent family households in the Sacramento MSA, 81.0% are headed by women. This compares with the state's 76.7% and the nation's 80.7%

Front-end of the Educational Pipeline: What's in Store for Los Rios Colleges?

Chart 3
Educational Attainment of the Population, Ages 25 and Over in 1990: Sacramento-Yolo CMSA, California and the U.S.



Greater Sacramento has a more highly educated population than many areas of the nation. As pointed out in Chart 3, in 1990, more residents of the Sacramento MSA, age 25 and older had some college education and more have received degrees than is the case statewide and nationally.

Whereas 58% of these Sacramento residents have at least some college, only 54% in California and 45% nationally do. Likewise, 33% of Greater Sacramento residents have completed at least an associates degree, while 31% have statewide and 27% have nationally. But to maintain a highly educated workforce, students who are currently passing through the early stages of the educational pipeline (those in grades K-12) must be doing well enough to continue on to college.

The elementary and secondary education data that were analyzed by the California Department of Education were aggregated at the school, district, county and state level, only; in these cases aggregate data for analysis at the Greater Sacramento level are not available. Review of the Department of Education analysis shows some interesting differences among the four Sacramento area counties.

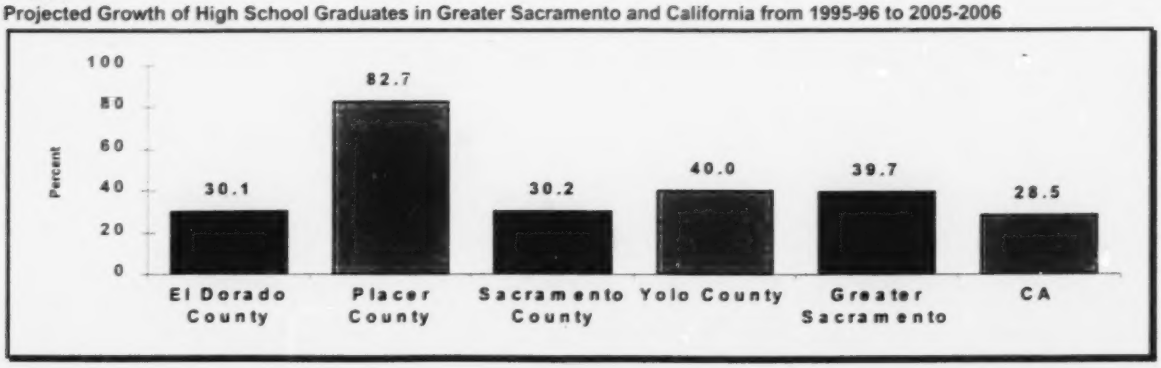
The K-12 school population is far more ethnically diverse in Sacramento County than it is in El Dorado, Placer and Yolo counties and it is rapidly becoming even more ethnically diverse. However, it is less ethnically diverse than is the case statewide. The non-white school population statewide was 60.5% in 1995-96, up 1% from the 1994-95 level. These figures for the four county area of Greater Sacramento are: Sacramento County (51.4%, up by 4% over 1994-95 levels); Yolo County (44.5%, up by 1%); Placer County (16.1%, up by 1%); and El Dorado County (15.3%, up by 1%).

The school-age population of Sacramento County is far more ethnically diverse than the total population; 30.5% of Sacramento County's total population (all ages) was non-white in 1993, 51.4% of the school-age population in 1995-96 was. Half of the CMSA's total population is expected to be non-white by 2030, yet half of the school-age population in Sacramento County is right now. Los Rios colleges are likely to see rapidly increasing numbers of ethnically diverse high school graduates enroll over the next several years. The ethnic breakdown of the 1995-96 school-age population in Sacramento County is: 15.2% African American, 15.8% Asian, 16.2% Latino, 1.4% Native American and 51.4% white.

In Sacramento County, 81.6% of the 1995-96 senior class completed high school in four years, vs. the slightly higher state completion rate of 83.1%. Comparable completion rates for the other four counties are substantially higher than the state average: El Dorado at 90.1%, Placer at 89.6% and Yolo at 85.8%.

Likewise, one-year dropout rates (currently available for 1994-95, only) reflect a slightly higher rate for Sacramento County than the state average, while the other four counties have lower dropout rates: Sacramento at 4.7%, Yolo at 3.7%, Placer at 2.5% and El Dorado at 2.3%. The statewide average was 4.4% These rates reflect dropouts across all grade levels. Of the 1995-96 graduates statewide, 35.6% went on to community colleges. From the Greater Sacramento Area, 42.5% in Sacramento County, 40.6% from Placer County, 35.5% from El Dorado County and 30.9% from Yolo County continued on to attend community colleges.

Chart 4
Projected Growth of High School Graduates in Greater Sacramento and California from 1995-96 to 2005-2006



The number of high school graduates is expected to grow quite steadily between 1996 and 2006, as pointed out in Chart 4. The Department of Finance projects 40% growth for the Sacramento-Yolo CMSA vs. a 29% rate of growth statewide.

Our Changing Economy and Employment Picture

Recent Turns in the Economy

The Greater Sacramento Area's economy suffered like most regions throughout California for the first half of this decade, although less severely than many. The remarkably low unemployment rates of the late 1980s of less than 5% gave way to increasing rates beginning in 1991. Job losses in Greater Sacramento occurred in agriculture, construction, manufacturing, retail trade and other trade industries. By 1995, over a decade of employment transition had taken place – higher paying jobs gave way to an increasing proportion of lower-paying service jobs, resulting in an increased proportion of underemployed workers.

Unemployment peaked in the Sacramento MSA in 1993 and then declined for three straight years. By March 1997, the rate had dropped to 5.5% (preliminary data that will be updated in late Spring), which is slightly lower than the state's 6.6%. Economists are optimistic about the economy between now and the turn of the century, although growth is expected to be slower rather than rapid.

The Employment Base

Historically, government and agriculture have been the major components of Greater Sacramento's economic base until recent years, when a more diversified economy began to evolve. Since the early 1980s, changes in the proportions employed by various industries have been incrementally small, as pointed out in Chart 5.

Chart 5
Percent of Civilian Employment by Industry in the Sacramento MSA: 1983 and 1997

Civilian Employment by Industry	1983	1997
Services	22.8	26.2
Government	33.7	27.3
Retail Trade	17.7	17.8
F.I.R.E.	5.1	6.3
Manufacturing (Durable Goods)	3.4	4.8
Construction	3.8	4.8
Transportation & Public Utilities	4.7	4.1
Wholesale Trade	4.3	3.9
Manufacturing (Non-Durable Goods)	2.7	2.3
Farming	1.6	0.5
Mining	0.2	0.0
TOTAL	**100.0**	**100.0**

Although the proportions of total employment by industry have not changed dramatically since 1983 (primarily because all major sectors have experienced proportional growth), several industries have shown a rapid rate of growth, as pointed out in Chart 6. The most significant employment growth in the Sacramento MSA has taken place in the manufacturing of durable goods, construction, the finance,

insurance and real estate industry, and services (including hotel, personal, business, health, auto, amusements and social services, with health services dominating the growth). The manufacturing of electronics equipment which was non-existent in 1983, now accounts for 26% of the durable goods manufactured in the Sacramento MSA.

Chart 6
Rate of Change in Employment by Industry in the Sacramento MSA: 1983 to 1997

Civilian Employment by Industry	% Rate of Change
Manufacturing (Durable Goods)	84.4
Construction	64.2
Services	59.1
F.I.R.E.	58.0
Retail Trade	29.1
Wholesale Trade	18.6
Transportation & Public Utilities	12.6
Manufacturing (Non-Durable Goods)	6.9
Government	4.3
Farming	-63.6
Mining	-75.0
TOTAL	**28.8**

According to California Employment Development Department analysis of labor market data over the last year, all major industries of the Sacramento MSA realized job growth, except finance, which experienced job losses due to bank mergers and re-structuring. The services industry has continued its rapid expansion over the last year, accounting for more than 50% of the jobs added between March 1996 and March 1997. Strong growth was realized in the following services industries: business, amusement, engineering, accounting and management services. The construction industry has finally rebounded after the recession of the early 1990s realizing a 12% increase in jobs (for a gain of 3,200). Job gains also occurred in manufacturing and the trade industries over the last year. Along with services, trade currently is the fastest growing industry.

Emerging high tech industries in the Greater Sacramento Area include electronics, data processing and biotechnology. Food processing, built upon the area's agricultural production of rice, tomatoes, prunes, almonds, grapes and dairy production continues strong, as does the publishing, printing and insurance industries.

According to the *Sacramento Business Journal*, the top fifteen major private employers in the Sacramento area (defined by number of full-time equivalent employees in 1996) include: Sutter Health/CHS, Kaiser Permanente, Raley's, Pacific Bell, Mercy Healthcare—Sacramento, Hewlett-Packard, Packard Bell, Intel Corporation, United Parcel Service, Bank of America, NEC Electronics, Foundation Health, U.S. Computer Services, Lucky Stores, and Campbell Soup Company.

Among the top public sector employers are the state of California, McClellan Air Force Base, UC Davis, San Juan Unified School District, UC Davis Health System, City of Sacramento, Los Rios Community College District, Elk Grove Unified School District, California State University - Sacramento, the U.S. Postal Service and SMUD.

Not only has the city of Folsom experienced population growth, it has experienced employment growth, as well. From 1990 to 1995, Folsom's employment grew by 30.2%, contrasting sharply to the Sacramento-Yolo CMSA's 11.3% growth. Intel's presence and planned expansion of its R&D facility slated for 1998, creating 1,200 new jobs, and the selection of Folsom over Corvallis, Oregon for the new Kikkoman Corporation's plant are just two of the many examples of new employment growth taking place in Folsom.

At the county level, Placer led the way in the CMSA with 44.3% growth in employment from 1990 through 1995, followed by El Dorado County at 21.6% growth. Yolo County's employment grew by 12.2%, while Sacramento County's employment grew by 6.8%.

Employment Base of the Future

Over the next decade (from 1995 through 2005), employment in the four-county area of Greater Sacramento is expected to grow by 23.9%. Yolo County is expected to lead with 44.6% growth, followed by Placer County with 41.5%, El Dorado County with 22.7% and Sacramento County with 16.8%.

Sacramento County is projected to account for 70% of the CMSA employment by 2005. It's largest occupational group – professional, paraprofessional and technical occupations – is expected to experience a 19.7% increase in employment by 2000, slightly above the average expected increase of 18% in *all* jobs. The fastest growing professional and technical occupation will be computer engineers, with an expected growth rate of 145%. This growth will be directly related to the large expansion in business services in Sacramento by the year 2000.

Employment in the clerical and administrative support occupational category, the second largest in Sacramento County, is expected to see below average growth at 12.1%. Rapidly expanding service industries and government are expected to fuel a 19% increase in managers and administrative workers.

Production, construction, operatives and material handlers comprise the third largest occupational group in Sacramento County. In this group, employment growth of maintenance repairers is expected to be the largest, followed by light truck drivers. Due to rapid expansion of computer and electronic assembly and semiconductor manufacturing and related services, precision electrical equipment assemblers (expected employment growth of 1,875% by 2000), precision testers and graders (expected 181% growth) and data processing equipment repairers (177% growth) will be the fastest growing occupations in this sector.

Generally lower paying positions in service occupations are expected to see the fastest growth (22%) of all major occupational categories by 2000. Agricultural, forestry and fishing occupations, Sacramento County's smallest occupational group, is expected to grow by 17% by 2000, with growth concentrated in agricultural services.

There is a very important fact about the 25 fastest growing occupations (rated by percent growth) in Sacramento County at the present time that is of interest to LRCCD. Of the jobs that are generated by these 25 occupations, 52% require education at a community college. Likewise, 50% of the average *annual openings* among these 25 fastest growing occupations require a community college education. By the year 2005, 50% of the jobs generated by these occupations will continue to require a community college education.

Our Changing Workforce Skill Requirements

The economy of California and Greater Sacramento, as well, have become diverse, knowledge-based, mobile and increasingly global. Paramount to continued success in such an arena is a well prepared and educated workforce. Employee skills must closely match work place requirements in an economy that is

extremely competitive and rapidly changing. This will require the education of a workforce over, and over and over again, as skill requirements change on an on-going basis.

Educational futurists are writing extensively on the changing nature of work. We can expect to see the continuation of *major* changes within organizations and in the way we do work – organizations that are moving from rigid bureaucracies to more fluid and flexible structures, where barriers between the organization and the community which it serves dissolve; a move from workers with narrowly defined positions to mobile knowledge workers serving on project teams meeting multiple and often simultaneous task completion deadlines; and a shift away from placing greater value upon the physical assets of an organization over the intellectual assets.

These workforce and organizational changes will require a great deal of complimentary change in the way educational institutions do business. Patterns of learning are changing – from a distinction between work *or* learning to a fusion between work *and* learning. Time that workers will have to dedicate exclusively to upgrading skills will be short and often inflexible. "Just-in-time" competency-based learning will be required from educational institutions. Colleges and universities will move from being exclusive providers of education to learning facilitators and developers.

The California Economic Strategy Panel, a group of business and civic leaders was created to develop an overall economic vision and strategy for California. In its 1996 report, this group evaluated education and workforce training as *the top priority* for the economic success of California. They called for an aggressive plan that would allow changing job opportunities and skill-set needs to drive workforce training. These needs include: computer competence and utilization of rapidly changing technologies by employees; ability of employees to work together in groups; self-confidence enabling employees to more easily respond to change; and improved literacy, math skills, and creativity to compete in the changing work place.

Los Rios staff and consultants saw similar concerns raised by local business leaders during organized focus group meetings related to the 1997 Strategic Planning process. Greater Sacramento employers seek: employees with *basic* skills (computer literacy and communication skills); employees who are flexible enough to adapt to an ever-changing work environment; and employees capable of working effectively in teams. With these basic skills developed through college and university education, employers will build upon them with more specialized training.

Other Educational Providers: Market Analysis

Overview

The Greater Sacramento Area has an abundance of public and private educational providers. Besides the three colleges of the Los Rios District, there are more than a dozen other public and private four-year colleges and universities and nearly 20 private adult vocational schools operating within the metropolitan area. Other educational providers include local community based organizations, County Office of Education ROP programs (regional occupation programs), the Learning Exchange, and a host of corporate in-house training programs. All of these entities currently provide services similar to those offered by our colleges or have the potential to do so.

Along with these local institutions are many others which attract Sacramento residents to other areas -- all the UC and CSU campuses, other private institutions such as University of the Pacific, and a growing cadre of "virtual" education/training providers springing up on the Internet.

University of Phoenix, the sixth largest private university in the U.S., with 19 "Learning Centers" and online courses has established a presence in almost all western states; one of its centers is in Sacramento. Virtual colleges and universities in the U.S. and throughout the world now compete for student enrollment here, as well. Among the 45 (and growing) virtual colleges and universities offering credit courses is Fayetteville Technical Community College in Fayetteville, North Carolina. Virtual colleges and universities

are being built by governments, businesses and new institutions that contract directly with faculty here, and throughout the world. This burgeoning educational learning milieu is rapidly competing with the more traditional colleges and universities for students who have multiple constraints placed upon time that is available to attend college. Many students who require greater flexibility in their education are turning to these newer options.

Chart 7
1996 Enrollment and Cost Data

Institution	Enrollment	Cost
Los Rios Colleges	53,000	$13/semester unit
UC Davis	24,000	$4,225/year
CSUS	23,400	$2,000/year
Sierra College	14,796	$13/semester unit
Golden Gate University	1,500	$255/unit
National University	1,000	$740/unit
Chapman University	785	$525/course
D-Q University	483	$3,000/year
Embry-Riddle Aeronautical University	450	$120/unit
University of San Francisco	325	$10,800/year
Phoenix University	N/A	N/A
Heald Business College	775	$8,000/year
Western Career College	767	$2,375-$16,000
High-Tech Institute Medical Careers	600	$6,000-$15,000
ITT Technical Institute	490	$10,000/year
Truck Driving Academy	30	$4,200
Sierra Hi-Tech	90	$5,400-$7,100
United Christian Centers	100	$525-$4,600
H&R Block Income Tax School	290	$295
National Career Education	N/A	N/A
Sawyer College	N/A	N/A
Business & Technology Training Institute	N/A	N/A
Sequoia Institute	N/A	N/A
Compu Vista Business Institute	N/A	N/A
Northern California Training Institute	N/A	N/A
College for Early Childhood Education	N/A	N/A
New Horizons Computer Learning Center	N/A	N/A

1996 Analysis of Strengths and Weaknesses of Competitors Vis-à-Vis Los Rios

In general, the education market is driven by five major factors: 1) cost; 2) quality (reputation); 3) time to complete; 4) proximity; and 5) job placement. Of these, Los Rios colleges offer low cost, high benefit (quality), and proximity (three campuses, three major centers, dozens of outreach sites and distance learning opportunities).

Our weaknesses include a perceived longer time to complete courses of study, the lack of a job placement service, and a somewhat ambivalent perception by the general public concerning the quality of education offered by our colleges.

- **Los Rios Colleges Compared to CSUS and UC Davis**

  Although CSUS and UC Davis are generally perceived to offer a high quality educational experience, the cost to attend these institutions continues to rise rapidly. Because Los Rios colleges offer a high

cost/benefit ratio, more students who are eligible to attend CSUS and UC Davis are opting to attend one of our campuses for the first two years of their college education. This pattern is enhanced by the strong transfer agreements (guaranteed transfer) Los Rios colleges have with CSUS and UC Davis. About 60% of CSUS's graduating classes are community college transfers.

- **Los Rios Colleges Compared to CSUS and UC Davis Extension Programs**

  Over the past five years, both CSUS and UC Davis have developed aggressive extension programs which offer similar classes for professionals as do Los Rios colleges. Once again, the major marketing factor is quality (reputation of CSUS and UC Davis). However, extension classes range from $160 to $500 each. Similar Los Rios college classes cost $39. Aggressive marketing of price and quality by Los Rios has made significant inroads into this market and we need to continue these efforts.

- **Los Rios Colleges Compared to National University, Phoenix University, Golden Gate University, and Other Private Four-Year Institutions**

  The major selling point of National, Phoenix, and Golden Gate is course packaging -- one course a month in the case of National and flexible "virtual" learning at Phoenix -- which creates convenience for the working student and a perceived quicker time to completion. These schools often also tout faculty who have recency of experience in the workplace and the latest high tech equipment and facilities.

  To compete with these educational providers, the Los Rios colleges must continually work to provide the kinds of flexible course and program packaging demanded by students today.

- **Los Rios Colleges Compared to Private Adult Vocational Schools**

  The major selling points of these institutions are short time to completion and guaranteed job placement. Los Rios colleges need to address these issues very soon in order to remain competitive. The weaknesses of the private vocational institutions include poor public perception and high cost. These institutions tend to market to a lower income and less sophisticated population. However, many of these institutions are working to change their negative public image through aggressive advertising campaigns.

The Future: Challenges and Opportunities

It is always difficult to predict the future. However, it is expected that the number of education/training providers will increase over the next five to ten years. Those already in the marketplace are aggressively working to increase market share and expand operations.

Also, as people's lives become more complex and harried, they are demanding more service and customized products to meet their specific needs. This extends to educational "products" and services as well. Success in the marketplace will go to those institutions who have the flexibility to customize their services and offerings to meet consumer demands.

Rapid technological changes will also have a profound impact upon the way in which education is delivered. The Internet could become a significant force for change in education. A group of western states are working to form the "virtual university" which would allow students to take classes across institutions, across state boundaries, across jurisdictions. Phoenix University just recently graduated its first class of "cyberspace" learners. The first time these graduates met each other or their instructors face-to-face was at the graduation ceremony. These events may well be a harbinger of even greater changes to come.

It is clear that as state and local governments continue to struggle with budgetary constraints, more and more cost effective ways to deliver education will be sought. Public colleges and universities will need to form intense collaborative efforts in the areas of facilities use, program delivery, staff sharing, etc.

In the short term, over the next five to ten years, the Los Rios District has the opportunity to increase market share in two growing demographic sectors -- the 18-20 and the 30-45 age groups.

The 18-20 age group was a declining demographic sector of the population in terms of real numbers until recently. Due to this, our colleges have not been as aggressive in recruiting this market segment. We now need to rapidly develop and implement comprehensive recruitment strategies to capitalize on the growth trends in this market sector. Those trends will continue through the year 2008.

A challenge for our district will be to meet the high tech training needs required by both of these market segments. We need to secure qualified instructors in the latest computer programming and other high tech areas; have the resources to continually update our computer equipment and facilities to meet the software/hardware needs of these courses; and develop new ways to package our programs and services to meet the needs of our "customers".

The Changing Political Scene

Public Perception

The California Higher Education Policy Center surveys public opinion held by Californians about higher education. In 1993 the views of Californians were much like those held nationally – citizens were anxious about access to higher education and more likely to call for a fundamental overhaul of the system. The 1996 survey showed that Californians were still concerned about higher education, but levels of that concern had declined. Californians are still convinced that a college education is important for all groups of individuals (poor people, minorities, middle-class people and older students) but they are less anxious about a person's opportunity to get one. With improved fiscal times and the stabilization of student fees, citizens seem to feel better about the issue of access to higher education. They are also less concerned about overhauling the system.

Public perception of California community colleges more specifically has remained relatively high over the recent past. This is in spite of student fee increases and the reduction of course offerings, due to state budget deficits through the first half of this decade. Perhaps public opinion about community colleges has remained relatively high because the fee increases implemented in the earlier part of this decade were relatively small when compared to those implemented by the two public university systems.

This continued public support has been demonstrated as voters pass special bond issues to build new community college facilities. When Proposition 203 was placed on the March 1996 ballot in California, the K-12 system teamed up with community colleges in an effort to gain public support that they expected would go to community colleges, based upon past voting patterns. This was a surprising move away from this sector's tradition of placing its bond issues as separate measures on the ballot. The success realized in 1996 has prompted the K-12 sector to join with community colleges again for the next election.

By maintaining the perception held by voters that Los Rios colleges are indeed colleges of the community, by providing low-cost and high-quality education and by enhancing their role as the major human capital development engine for Greater Sacramento, Los Rios colleges should enjoy continued support from the local area which they serve.

National and State Level Factors

Economic adjustment has provided better budget prospects for community colleges and the public universities of California. The four-year plan proposed by the Governor and confirmed by the Legislature in 1995 is designed to stabilize higher education budgets and will help community colleges to expand course offerings to pre-budget crisis levels to better serve their communities.

At the federal level, new directions set by the Clinton Administration also call for greater support of education. Although much of the Clinton agenda is aimed toward improving education at the elementary and secondary levels, tax credits and tax deductions for college, as well as proposed expansion of the Pell Grant program will be important support mechanisms for community colleges.

The 1997 reauthorization of the Higher Education Act of 1965 will be of great importance to all community colleges. The Board of Governors of California Community Colleges seeks to give important input into the policy and implementation components of this legislative process. Some of the important elements of concern include: the maintenance of the Pell Grant policy's focus on low income students; change in the definition and implementation of default rate calculations; establishment of an appropriate balance for federal oversight to assure that there is no infringement on state educational policy as it is implemented; and preservation of access for students enrolled in remedial education, ESL and vocational education courses.

Over the past several years the Board of Governors of California Community Colleges has adopted a one-year legislative program designed to reflect systemwide consensus on legislative priorities. For the 1997 cycle, a two-year strategy was implemented, instead. The 1997 and 1998 program reflects many issues of importance for the Los Rios Community College District. There is major concern about the levels of capital available for maintaining and expanding the physical infrastructure of community colleges. The need to backfill past property tax revenue shortfalls to address these problems has become a critical priority of the Board of Governors. Related to this, the Board of Governors will actively lobby to lower the two-thirds vote requirement for passage of local capital outlay bonds, so that a clear majority *not* a "supermajority" is adequate, as in the days prior to 1978 and the passage of Proposition 13.

Other issues being pursued during the 1997 and 1998 cycle that are of particular relevance to LRCCD include: interest in workforce training coordination across the multiple statewide and local organizations concerned about it, while maintaining the view that community colleges are a core system for meeting the vocational education and job training needs of adult learners and employers; informing the state Welfare Reform implementation process through an insistence that adequate education be a condition of effective skill training that leads to jobs, while also attending to child care and other support mechanisms necessary for AFDC recipients to complete their education; and maintenance of adequate funding for student health services through the restoration and stabilization of health service fee revenues.

Issues Related to Accountability

Accountability to the public remains a major concern at both the state and national levels. Colleges and universities are being asked to verify that students are, indeed, learning, and that they are adequately prepared for the careers they choose to pursue. Federal Student-Right-to-Know legislation requires all public colleges and universities to make data on student completion rates available to the public, beginning with the 1996 first-time student cohort. California Assembly Bill 1725 requires that the Board of Governors of the California Community Colleges provide accountability data about community colleges before state and federal legislative and executive agencies. The U.S. Congress and Administration continue debate on an ongoing basis about the consolidation of legislation related to employment and training. If federal legislation is passed, it is likely that workforce training funds will be combined into block grants, and organizations receiving funds will be required to provide performance-based accountability about workforce development.

These forces are driving the research agendas of *many* community colleges. A review of the 1996-97 AACC research agenda shows a match between the national agenda and those of many community colleges and their districts. This agenda includes: development of measurements of student success and completion of goals, as well as measurements of the effectiveness of programs designed for basic skill development, remediation, basic literacy and analytical skills development, workforce preparation, and transfer preparation; development of environmental scans and enrollment projections to plan more effective strategies of future operation; continuation of demographic profiling of students, to better understand the diversity of the system for planning purposes and to more effectively report the benefits of this diversity to

communities and legislative constituencies; assessment of the impact of changing student financial resources and their effect upon student access and success; and finally, analysis of the economic and social impact of community colleges upon the communities they serve.

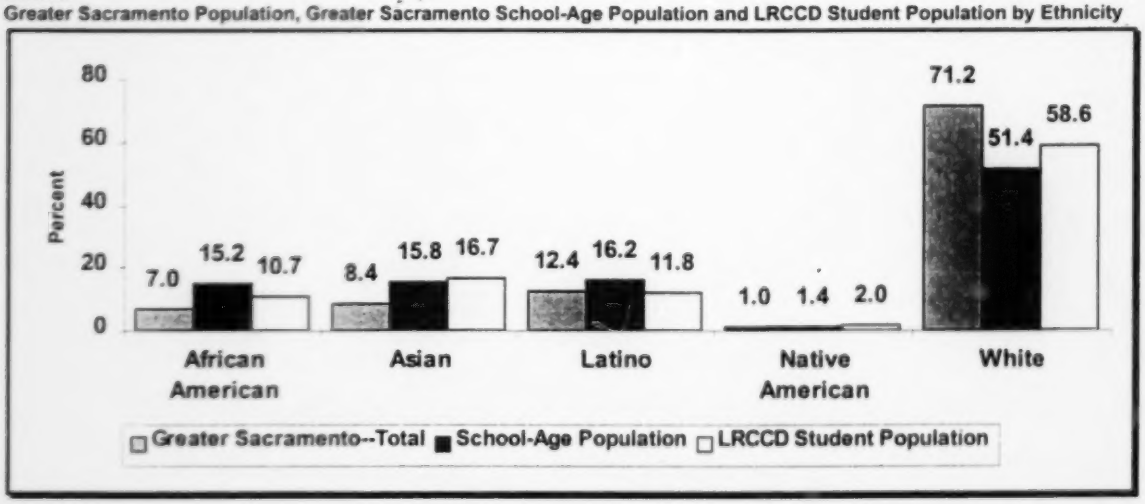
All of the above recommended areas from the AACC research agenda are related to the issue of accountability to governments and the people served. Almost all are presently part of this district's and its colleges research agendas.

Changing Patterns of Enrollment in the District

Since 1980 the enrollment in Los Rios colleges has almost doubled. Looking at fourth week census data, the 25,675 Fall 1980 students districtwide grew by 98.5% to 50,955 in Fall 1996. Their gender has varied very little over this time period: 55.1% of the students were women in 1980 and 57.6% were women in 1996.

The ethnic composition has steadily changed. Whereas 66.3% of all students were white in 1980, only 56.6% were by Fall 1996. The proportion of ethnic minorities among the Los Rios student population increased from 24.8% in 1980 to 40% in 1996. Ethnic minorities are a much higher proportion of the Los Rios colleges student population (40%) than they are of the Greater Sacramento area (29%).

Chart 8
Greater Sacramento Population, Greater Sacramento School-Age Population and LRCCD Student Population by Ethnicity



On first glance, the total population by ethnicity displayed in Chart 8 might suggest that a disproportionate share of students from varidus ethnic groups attend Los Rios colleges. However, Greater Sacramento proportions displayed here represent *total* population in all age groups, rather than the proportion of the population that is 18 and older, data which are only available for 1990 and are therefore, very outdated. However, the most recently available data on the proportions of ethnic minorities enrolled in public schools (grades K-12) show that the population that will be graduating from high school and enrolling in Los Rios colleges in the future is likely to become much more ethnically diverse. Over one-fifth of the Los Rios student population currently falls into the category of recent high school graduates.

Age distribution of Los Rios colleges has also changed over the years. The trend since 1980 has been toward an older student body, however most of that shift had occurred by 1985. Over the past ten years, the proportions of enrollment for each age category have changed by only two percent or less, with the

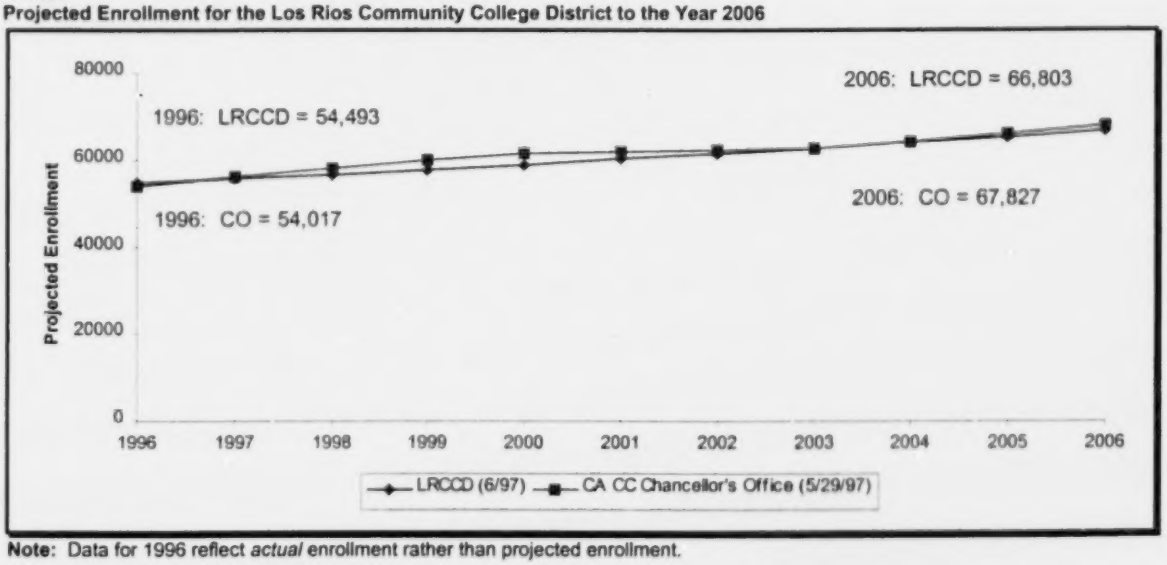
exception of students 40-and-over. The proportion of students in this category increased from 14% in Fall 1986 to 19% in Fall 1996.
Nonetheless, Los Rios colleges *may* see a gradual shift toward more younger students; total population in the CMSA is projected to increase by 29% over the next ten years, while high school graduates are projected to increase by 40%. This gradual shift toward younger students in the District is likely to occur, unless the proportion of older residents of Greater Sacramento who decide to enroll at Los Rios colleges increases.

Student preference for day or evening classes are difficult to measure. Attendance patterns may reflect availability of classes, rather than preference. Recent survey research (a Spring 1995 survey of residents of communities served by American River College conducted by Price Research) indicates that at least some potential students not yet attending ARC desire more course offerings at non-traditional times. Similarly, the 1995 Follow-up Survey of all District students (conducted by the LRCCD Office of Institutional Research) found that 11% of the non-returning students indicated that they did so because their job hours conflicted with college or that course availability was a problem. In Fall 1996 48% of Los Rios college students were day students, 30% were evening students and 22% attended both day and evening courses.

Seventy-two percent of Los Rios students were part-time in Fall 1996, down from 77% in Fall 1991. In Fall 1980, 70% of the students were part-time. If the number of Los Rios students who are recent high school graduates grows in proportion to the projected number of increasing high school graduates, Los Rios colleges are likely to see more students taking higher unit loads. Whereas the recent high school graduate (1995 graduates attending Los Rios colleges in Fall 1995) took an average 10 units, the average Los Rios student (includes *all* students) takes 7 units (Fall 1996 average).

Enrollment Projections to the Year 2006

Chart 9
Projected Enrollment for the Los Rios Community College District to the Year 2006



Note: Data for 1996 reflect *actual* enrollment rather than projected enrollment.

Chart 9 displays two sets of enrollment projections to the year 2006. The first are those generated by the California Community College Chancellor's Office (CC-CO) staff. The second was generated by LRCCD Office of Institutional Research (IR) staff, adding more recently available enrollment data to that which was used by the CC-CO. CC-CO projections are generated using an econometric model that factors in costs facing students, college budget expenditures, population, unemployment and financial constraints (pre- and post-Proposition 13). LRCCD projections are based on population participation rates calculated using current aggregate county level population estimates and population projection data for the four-county area served by the District, assuming the current participation rate of 3.3% of total population and 7.3% of adult

As mentioned in the first section of this report, if Folsom Center expands to become a college it will be in a good position to absorb the growth in students from Folsom, El Dorado Hills, Cameron Park - Shingle Springs and Granite Bay, and the levels of participation from these communities are likely to be even higher than those projected above, because a comprehensive college will be in place, not a center. American River College is likely to see strong enrollment growth from the Natomas areas of Sacramento and more moderate enrollment growth from Antelope. Enrollment from the Natomas areas may be even higher than the above projections, given that North Natomas is a community with close to zero population at the present time that will grow to almost 21,000. Sacramento City College is likely to see enrollment growth from West Sacramento and South Sacramento. And Cosumnes River College is likely to see continued enrollment growth from Franklin-Laguna, Elk Grove and Galt.

Sources of Data and Information:

U.S. Bureau of the Census; CA Department of Finance; Sacramento Area Council of Governments; CA Department of Education demographic database; LRCCD Office of Institutional Research database; California Postsecondary Education Commission's database; California Community College's Chancellor's Office; American Association of Community Colleges; CA Higher Education Policy Center; CA Employment Development Department (EDD); CA EDD Labor Market Division; Federal Reserve Bank of San Francisco; CSU Occupational Projections; Sacramento Business Journal; Legislative Analyst's Office (*Cal Facts 1996*).

This report was written by: Judith Beachler, Director, LRCCD Office of Institutional Research, Final version released – July 1997. The author gratefully acknowledges the contribution of the report's section entitled "Other Educational Providers: Market Analysis" by Susie Williams, LRCCD Director of Communications and Research.

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